



## OHIO: ONLINE CHECKBOOK NOW POPULATED WITH FISCAL YEAR 2015 DATA

In December 2014, Ohio Treasurer Josh Mandel's idea for an online checkbook went live, with a price tag of \$814,000. By March, the checkbook was impressive enough that the Public Interest Research Group (PIRG) gave it an A+ grade in "Following the Money 2015: How the 50 States Rate in Providing Online Access to Government Spending Data," as we pointed out in a [previous Multistate Tax Update](#).

PIRG gave 14 states an A ranking (in order of ranking from high to low):

- Ohio
- Indiana
- Wisconsin
- Oregon
- Louisiana
- Connecticut
- Massachusetts
- Florida
- Iowa
- Illinois
- Montana
- New York
- Texas
- South Dakota

These states' earned their positions because of the spending transparency, user-friendly web interfaces, accessibility to an array of expenditures, and ease of downloading the entire dataset (which facilitates analysis) afforded by their online checkbooks. Ohio was the only one that PIRG graded with an A+.

*The Plain Dealer* recently revealed that despite Mandel's intentions to update the database monthly, it was more than a year out of date. A spokesman for the treasurer conceded that the office is "operating on the belief of accuracy over speed." However, as of the beginning of fiscal year 2016, which started on July 1, the checkbook is current and contains data for all of fiscal year 2015. Total spending was just over \$65 billion, which is an increase over the previous year's expenditures of \$61 billion.

The largest expenditure type was medical and rehab expenses, at \$20.7 billion. The highest paid companies doing business with Ohio were United Health Group, at \$303 million, and Shelly & Sands Inc., an infrastructure construction firm, at just under \$225 million.

Ohiocheckbook.com is expected to cost the Buckeye State up to \$2.7 million in the next two years, explained *The Plain Dealer*. This includes a one-time \$975,000 licensing fee, and startup costs for larger municipalities ranging from \$7,500 to \$15,000 per entity, depending on the amount of expenditures. The Treasurer's Office will pay that cost, which Mandel characterized as being a "fraction of the \$6 million his office has saved since he became treasurer in 2011...a small price to pay to empower taxpayers to hold politicians accountable."

Mandel wants "to create an army of citizen watchdogs to demand transparency of every level of government and challenge questionable purchases," according to govtech.com. To that end, earlier this year, he offered to help all 3,900 cities, counties, and school districts in Ohio document their expenditures on the Ohiocheckbook.com, at no charge, and if they do not comply, he will demand it.

Some fell right in line, like the city of Hamilton, which already publishes employees' travel expenses greater than \$500. On the other hand, some government leaders worry that without explanation and context, taxpayers could misinterpret some government purchases.

Ultimately, Mandel maintains his expectation that Ohiocheckbook.com will serve as a deterrent that causes "politicians and bureaucrats [to] think twice before they do anything stupid with our tax money."

## ILLINOIS: RETAILERS NOT SUBJECT TO TAX LIABILITY FOR CERTAIN BAD DEBTS

The governor recently signed **Public Act 099-0217/SB0507** into law, effective July 31, 2015. The new law amends the Retailers' Occupation Tax Act, and relieves a retailer from tax liability if:

- The tax is represented by amounts that are found to be worthless or uncollectible.
- The amounts have been charged off in accordance with generally accepted accounting principles.
- The amounts have been claimed as a deduction pursuant to **Section 166 of the Internal Revenue Code** on the taxpayer's federal income tax return.

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When a retailer has previously paid the tax, it may deduct the amount charged off. But if after taking the deduction the retailer ends up collecting the amount, it must include and pay it in the first return filed after collection.

Similarly, with respect to the payment of taxes on purchases made on a private label credit card, which is a credit card with a specific seller's brand or logo on it, a retailer may claim a deduction or obtain a refund on taxes remitted on an unpaid balance under these conditions:

- The accounts or receivables have been charged off as bad debt on the lender's books and records on or after Jan. 1, 2016.
- The accounts or receivables have been claimed as a deduction under the above-mentioned Section 166 of the Internal Revenue Code on the lender's federal income tax return.
- The retailer has not already claimed a deduction and received a refund on the bad debt.

The limitations period for claiming the deduction or refund remains unchanged, and starts on the day that the account or receivable was claimed as a bad debt. The deduction or refund does not apply to amounts resulting from purchases of titled property, and includes only those amounts that represent purchases from the retailer whose name or logo appears on the private label credit card used to make those purchases.

## STATES REMIND TAXPAYERS OF UPCOMING AMNESTY PERIODS

According to the Sales Tax Institute, eight states are promoting their tax amnesty programs to taxpayers this fall. This is more than double the number of states that did so last year. Only Massachusetts, New Jersey, and Louisiana offered amnesty programs last year. This is because, while amnesty programs create "a lot of buzz," lawmakers do not like to send the message that failure to comply with tax laws will be excused.

Here is a list of the states whose programs are set to begin in the next several weeks:

State	Amnesty period	Applicable tax periods	Eligible tax types	What is waived	Amnesty web page and notes
Arizona	Sept. 1, 2015- Oct. 31, 2015	For annual filers, tax periods ending before Jan. 1, 2014; for all others, tax periods ending before Feb. 1, 2015	All taxes administered by the Arizona Department of Revenue, except luxury and withholding taxes	Civil taxpayer penalties; interest reduced or waived	Details available by mid-August at <b>Arizona Department of Revenue</b>
Indiana	Sept. 15, 2015- Nov. 16, 2015	Unpaid tax liability for a listed tax that was due and payable for a tax period ending prior to Jan. 1, 2013	40 tax types are <b>eligible</b> , including: <ul style="list-style-type: none"> <li>• Individual income tax</li> <li>• Sales tax</li> <li>• Withholding tax</li> <li>• Inheritance tax</li> </ul>	Penalties, interest, and collection fees	<b>Indiana Department of Revenue</b> Taxpayers who participated in the 2005 amnesty program may not participate in Tax Amnesty 2015
Kansas	Sept. 1, 2015- Oct. 15, 2015	Tax periods ending on or before Dec. 31, 2013	<ul style="list-style-type: none"> <li>• Income tax (individual, corporate, fiduciary)</li> <li>• Privilege tax</li> <li>• Estate tax</li> <li>• Withholding and estimated tax</li> <li>• Sales tax (state and local)</li> <li>• Compensating use tax (state and local)</li> <li>• Liquor enforcement tax</li> <li>• Liquor drink tax</li> <li>• Cigarette and tobacco products tax</li> <li>• Mineral severance tax</li> </ul>	Penalties and interest on final liabilities (excluding matters on appeal)	<b>Kansas Department of Revenue</b> Taxpayers that received an audit notification letter or notices of assessment on or after Sept. 1, 2015, or for which an audit has previously been initiated are not eligible for amnesty
Maryland	Sept. 1, 2015- Oct. 30, 2015	Tax returns due on or before Dec. 31, 2014	<ul style="list-style-type: none"> <li>• Personal income tax</li> <li>• Fiduciary income tax</li> <li>• Pass-through entity nonresident income tax</li> <li>• Corporate income tax</li> <li>• Employer withholding tax</li> <li>• Sales and use tax</li> <li>• Admissions and amusement tax</li> </ul>	All civil penalties, except for previously assessed fraud penalties, and one half of the interest	<b>Comptroller of Maryland</b> Taxpayers who were granted amnesty in either 2001 or 2009, and those who were eligible for the Delaware Holding Company settlement established by Chapter 577 of the Acts of 2004 for tax periods prior to tax year 2003, are not eligible for the 2015 amnesty program
Missouri	Sept. 1, 2015- Nov. 30, 2015	Unpaid taxes that were due on or before Dec. 31, 2014	<ul style="list-style-type: none"> <li>• Consumer's use tax</li> <li>• Corporation franchise tax</li> <li>• Corporation income tax, employer withholding tax</li> <li>• Fiduciary tax</li> <li>• Individual income tax, sales tax</li> <li>• Vendor's use tax</li> </ul>	Interest and penalties	<b>Missouri Department of Revenue</b>
Oklahoma	Sep. 14, 2015- Nov. 13, 2015	Tax periods ending before Jan. 1, 2015	<ul style="list-style-type: none"> <li>• Income tax</li> <li>• Withholding tax</li> <li>• Sales tax</li> <li>• Use tax</li> <li>• Mixed beverage tax</li> <li>• Gasoline and diesel tax</li> <li>• Gross production and petroleum excise tax</li> <li>• Privilege tax</li> </ul>	Interest and penalties	<b>Oklahoma Tax Commission, Voluntary Compliance Initiative (VCI)</b>

Massachusetts and South Carolina have also announced amnesty programs, but neither state has published the dates or other details yet. We will provide them as they become available.

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For additional information regarding these subjects, or any other multistate tax issues, please contact one of the attorneys listed below.

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